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TOP SECRET

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Sep 15, 1947

(A)

Dear Mr. Secretary:

I refer to a recent conversation between General Norstadt, Admiral Sherman, Mr. Loy Henderson and Mr. John D. Hickerson regarding the withdrawal of British forces from Egypt and the possibility of arranging for the establishment of a British base in some other suitable location in the Near East. I understand that the participants in that conversation agreed on Cyrenaica as probably the best location for such a base.

The Department of State has given further consideration to this question, and its conclusions are set forth in the enclosed memorandum. I believe they are substantially in accord with the views previously expressed by representatives of your Department.

As you know, we have agreed to a suggestion made by Mr. Bevin that conversations be held between the British and American Governments looking toward an understanding on a common policy in the Near East. We are proposing that these talks begin with discussions between the military and naval authorities of the two countries. I would suggest that you include in the agenda for such talks the military and naval aspects of a British evacuation of Egypt and possible establishment in Cyrenaica. Among other things, we would like to have a definite estimate as to the time physically required to remove British troops and material from Egypt and the possibility of establishing a suitable substitute base in Cyrenaica or elsewhere. You will understand that we would not wish to offer any commitment to the British Government regarding Cyrenaica unless we were sure that it was physically possible and militarily desirable to establish bases in that territory.

I should be glad to receive any comments you may have on the enclosed memorandum.

I am sending an identical letter to the Secretary of the Navy.

Sincerely yours,

Acting Secretary

Enclosure:
Memorandum, dated August 28, 1947, "Withdrawal of British Troops from Egypt."

The Honorable
Kenneth C. Royall,
Secretary of the Army.

(An identical letter was sent to the Secretary of the Navy)

DEPARTMENT OF STATE A/CDC/MR
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RE:JDJernegan:CC RFA DC EUR S/S
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TOP SECRET

U - Mr. Lovett

August 28, 1947.

THROUGH: S/S

NEA - Mr. Henderson

Withdrawal of British Troops from Egypt.

(1) It has become clear that the continued presence of British troops in Egypt represents a liability not only to Great Britain but to the United States and the Western world in general. Their presence is poisoning the atmosphere of the whole Near and Middle East so rapidly and to such an extent that unless some indication is given in the near future that British troops are to be withdrawn from Egypt unconditionally, at a set date, that date to be the earliest practicable, the relations of the Arab world with the Western world may be seriously impaired for many years to come.

(2) In the present international situation Arab hostility towards the United States and towards the Western world would be extremely harmful to our interests. Among other damaging results, a hostile attitude on the part of the Arabs would threaten from the rear the position we are desperately trying to hold in Greece, Turkey and Iran. We should therefore be extremely careful to avoid any action which might be seriously injurious to our relations with the Arab world while at the same time overlooking no opportunity for affirmative action which would strengthen those relations.

(3) Consequently, we consider it extremely important to try to find some means privately to induce Great Britain to make known immediately that it intends unconditionally to withdraw its troops from Egypt at a given date. The evacuation of British troops from the Suez Canal Zone does not appear to present a serious problem, although they are reported to number as high as 90,000. There appear to be, however, tremendous quantities of British material stored in the Zone (reportedly worth one billion dollars) which must be moved before all British troops could be withdrawn, since it is too valuable to be left without British forces to guard it.

(4) Although we believe that British troops should be unconditionally withdrawn from Egypt at the earliest practicable date, we strongly believe that Britain should continue to maintain a base in the eastern Mediterranean area. It would be extremely unfortunate from our point of view for the British troops and material now in Egypt to be removed from the Near Eastern area, since it is clear that if Great Britain is to serve as a stabilizing factor in the area, it should have some base to replace Egypt. There is already a tendency in certain British circles to withdraw entirely from the Near and Middle East leaving no great power established in that area, and thus exposing it to Russian aggression or infiltration. It is essential that this British tendency be discouraged. The question therefore arises as to where the British forces might be sent.

(5) We have received intimations from the British that they are considering bases in Cyrenaica as probably the most desirable substitute for Egypt, and they have informally endeavored to obtain an expression of our views on this matter.

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It is understood that our own military and naval planners agree that Cyrenaica is in fact the best location for a base to replace Egypt. It will be recalled that Cyrenaica is a part of the Italian colony of Libya and that in Article 23 of the Italian peace treaty the Foreign Ministers of the United States, Great Britain, France and the Soviet Union will determine the disposition of the Italian colonies. The treaty provides that if within one year of its coming into force no agreement has been reached, the matter shall be submitted to the General Assembly of the United Nations. It seems unlikely that agreement will be reached among the four Foreign Ministers; therefore, if the Italian treaty goes into effect, the question of the disposition of Cyrenaica, along with that of the other Italian colonies, will go before the General Assembly. It might be possible, particularly in case the friendly backing of the Arab world could be obtained, to rally the two-thirds vote in the General Assembly necessary to give Great Britain a non-strategic trusteeship for Cyrenaica or possibly to arrange for the establishment of an independent state of Cyrenaica, or all of Libya, which would be willing to give the British bases in Cyrenaica. If the British should be granted a simple trusteeship, it is probable that its terms could be drafted in such a way as to enable Great Britain to maintain bases in Cyrenaica without its being designated as a strategic area.

Great Britain is in actual occupation of the territory, and therefore in the absence of any agreement on the part of the four Foreign Ministers or the General Assembly on the subject, Cyrenaica would probably continue under British occupation for an indefinite period of time.

If our objective of retaining Arab good-will is to be achieved, it is obvious that the establishment of British bases in Cyrenaica must have Arab acquiescence. This may be difficult to obtain, but there are definite indications that the Arabs do not want the British forced out of the Near East entirely and, specifically, that they might be willing to see the British established in Cyrenaica as the price of securing their withdrawal from Egypt.

(6) It is therefore recommended that our Government urge the British to indicate at once to the Egyptian Government that they are prepared to announce their intention unconditionally to withdraw all British troops from Egypt by a definite date. In issuing such an announcement the British Government would make it clear that its decision was based upon its desire for friendly relations with Egypt and that it still considered that under the 1936 Anglo-Egyptian Treaty it had the right to retain these troops in Egypt. At the same time we should inform the British Government that if it would like to transfer its troops and material to Cyrenaica immediately, we would have no objection thereto. Furthermore, we would be disposed eventually to support arrangements for the establishment of permanent British bases in Cyrenaica when the final disposition of that territory is decided, provided such arrangements could be effected in accordance with the principles of the United Nations Charter and provided the making of such arrangements proves to be practicable in the light of the then existing international situation.

NEA:LEHenderson/CC